



NGA Center for
BEST PRACTICES



Honoring Progress

An Update on the NGA Center Honor States

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This bimonthly newsletter provides information about the progress of the Honor States Grant Program, a \$23.6 million, governor-led effort to improve college- and work-ready graduation rates. Launched at the 2005 National Education Summit, this initiative includes 26 states and is supported by a consortium of eight foundations.

— Editor: Michael Hartney, Policy Analyst, NGA Center for Best Practices, mhartney@nga.org

IN THIS ISSUE

In this issue, we explore innovative efforts by governors and state policymakers to experiment with alternative compensation policies that can improve teacher quality. We also highlight the progress three states have made implementing compensation policies that move beyond the traditional salary schedule as well as provide some resources for policymakers interested in learning more about best practice pay policies that contribute to student learning.

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Facts at a Glance

- Research now confirms that teacher quality is the single most important variable contributing to increases in student achievement (e.g. *William Sanders and June Rivers, University of Tennessee Value-Added Research and Assessment Center, 1996; Rivkin, Hanushek, and Kain, 1998*).
- Data from the *1999–2000 Schools and Staffing Survey*—a nationally representative sample of schools—suggests that more than 70 percent of school districts adhere strictly to a single-salary schedule, indicating that for the most part, salaries are not differentiated based on educator effectiveness, willingness to teach in hard-to-staff schools, or by an educator’s competency in a high needs subject area.
- Science and mathematics teachers are more likely to leave the profession than teachers in other fields (*Rand Corporation, 2004*).
- Fourteen percent of mathematics students, 16 percent of science students, and 12 percent of English students in high poverty schools in the United States receive the majority of their instruction from teachers without a major or certification in their assigned field (*National Center on Education Statistics, 2004*).
- In January 2007, the President of the National Education Association (NEA) characterized the shortage of qualified math and science teachers as “severe.” Moreover, a recent *NEA issue brief* argued that teacher recruitment has “reached crisis proportions in some areas” largely because of a shortage in high-need subject areas such as special education, math, and science.
- According to the American Federation of Teachers (AFT), beginning teacher salaries rose just 3.3 percent from 1995 to 2005 (*AFT Survey and Analysis of Recent Salary Trends, 2005*). During that same ten-year period, the National Association of Colleges and Employers found that starting salary offers to students graduating with a bachelors degree in Chemistry, Computer Science, Engineering Technology, or Mathematics rose an average of 18.8 percent (*National Association of Colleges and Employers, Starting Salary Offers: Historical Perspective Update 1990–2005*).

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Creating 21st Century Competitive Compensation Systems: Minnesota, Texas, and Florida Launch Pay Reforms to Improve Teacher Quality

In 2005, according to the National Center for Education Information (NCEI), 40 percent of public school teachers told researchers they planned to leave the profession within five years. While retirees undoubtedly account for a significant portion of this projected exodus, a wealth of research suggests that teacher attrition is highly correlated to low pay and out-dated compensation systems.¹

¹ Guarino et al. (2004). *A Review of the Research Literature on Teacher Recruitment and Retention* (TR-164-EDU). Santa Monica, CA: RAND Corporation. www.rand.org/pubs/technical_reports/2005/RAND_TR164.pdf



For more than a century now, public education has operated under a single-salary schedule that compensates teachers for college credits, education degrees, and years of experience, but neglects to consider classroom effectiveness, scarce abilities, or one's willingness to perform additional and/or difficult assignments.

While projected teacher attrition rates pose a daunting challenge to states charged by No Child Left Behind with ensuring a highly qualified teacher in every classroom, they likewise present states with a tremendous opportunity to begin experimenting with alternative compensation policies—policies that have the potential to improve teacher retention, draw new talent into the field, and enable school districts to deploy human capital where it can most effectively contribute to closing gaps in student achievement.

To date, alternative compensation policies that depart from the single-salary schedule fall into one of four main categories:

- **Performance or “merit” pay;**
- **Pay for specific knowledge or skills;**
- **Pay for teaching in a high needs subject areas; and,**
- **Additional pay for teaching in a hard-to-staff school.**

Policymakers have used or blended all four of these strategies to address realities in the labor market that oftentimes necessitate differentiating compensation to attract and retain a teacher workforce that can propel student achievement and ensure that accountability targets are met.

Not surprisingly, policymakers face significant opposition to compensation reform—particularly around performance-pay policies. States often lack the sophisticated data systems needed to accurately evaluate student—and therefore teacher performance objectively and systematically. Without assurances that their performance will be evaluated in an impartial and value-added manner, teachers may exhibit uneasiness over alternative compensation policies—particularly when evaluation methods rely on holistic principal evaluations or incomplete data systems.

Finally, even when states have robust data systems, teachers understand that their jobs are increasingly complex in an accountability environment that requires them to collaborate rather than compete in an effort to raise achievement for every single student—not just the most capable. While labor market realities may compel policymakers—as the American Federation of Teachers itself acknowledges²—to begin experimenting with compensation policies that deviate from the single-salary schedule, caution must be exercised and teacher support enlisted to create effective strategies that further the interests of students in the system.

To that end, three states have taken the lead in demonstrating a willingness to implement policies that reward educators for their impact upon student achievement gains and offer incentives to teachers working in high poverty schools where student need is often greatest.

² Feldman, S. (2004). “Rethinking Teacher Compensation: Equitable Pay for Teachers is Part and Parcel of Improving Student Performance.” *American Teacher* 88(6).



Minnesota

In Minnesota, Governor Tim Pawlenty has made teacher compensation reform a focal point of the state's overall high school redesign effort. In 2005, the governor pioneered Quality Compensation for Teachers—or Q Comp—a statewide initiative funded by the legislature that rewards effective teachers for gains in student achievement.



Under Q Comp, districts and teachers put together applications for state funds to pay teachers in ways other than the single-salary schedule. While the program provides a great deal of autonomy to local districts, it does require that local plans include: career ladders for teachers; job-embedded professional development for teachers that is linked to improving teacher quality and student outcomes; multiple instructional teacher evaluations; and alternative compensation and performance-pay linked to growth in student achievement. Plans must then be approved by the Minnesota Department of Education before funding is distributed to districts.

To that end, the program provides districts with state funding to support pay increases for teachers on the condition that local Q Comp plans base performance-pay primarily on teaching quality, not seniority. These requirements are intended to promote a change in the culture of teacher compensation while allowing districts to establish the policies they need to boost teaching quality.

The program's career ladder is designed to reward educators for improving their knowledge, skills, and most importantly the performance of their students. Moreover, the ladder functions as an incentive designed to retain the most effective

teachers in the classroom as opposed to the administration, where single-salary schedule policies can push those teachers seeking more compensation. Q Comp was purposefully established as a categorical aid program within the general education budget, giving the program longevity and educators confidence that Minnesota will continue to value their work to improve student learning.

In order for a district Q Comp plan to go into effect, it must gain teacher consensus through a final ratification of a master agreement which requires a teacher vote under the parameters outlined in the district's collective bargaining agreement and bylaws. By valuing its teacher union voice and including the union in the process of local design, Minnesota has shown that real compensation reform can take place in collaboration with teachers at the collective bargaining table.

While Minnesota's innovative approach to rethinking compensation provides individual monetary incentives for those teachers that improve student learning outcomes, there are possible drawbacks to consider. First, compensation policies that reward individual teachers for



Minnesota Governor **Tim Pawlenty** commends the Eden Prairie School District for its participation in Q-Comp. As the 15th district in the state to participate, it will receive \$2,596,360 in state aid and local revenues for implementation in the 2006-07 school year.

individual student improvement require precise evaluation from a fair and consistent supervisor or an evaluation team to ensure inter-rater reliability. Moreover, performance-pay based on individual, as opposed to school wide performance improvements may provide the wrong incentives to educators. Individual awards may encourage teachers to focus on subsets of students rather than work collaboratively with their colleagues to raise the culture of performance within the entire school community. Nevertheless, Minnesota's Quality Compensation program represents a bold effort to draw attention to the centrality of teacher quality in the broader high school reform effort by providing policymakers with a starting point from which they can begin to influence student outcomes through well-designed human capital policies.

Texas

In 2005, Texas Governor Rick Perry issued an executive order directing the Commissioner of the Texas Education Agency to establish an awards program for Texas teachers who succeed at raising achievement in the most economically disadvantaged campuses. This program, called the Governor's Educator Excellence Grant (GEEG), is a pilot program that provided 100 campuses \$30 million in grants over three years.

With the passage of House Bill One, during the third-called special session of the 79th legislative session, the legislature created two programs. The first expanded on the GEEG, targeting the most economically disadvantaged campuses, named the Texas Educator Excellence Grant (TEEG). House Bill One also created a new, additional program aimed at transforming district policies so that they reward educators who improve student performance. To date, the legislature has committed \$472 million to fund both programs, which is in addition to the \$30 million the state initially committed to fund the GEEG.

The state is currently in its second cycle of TEEG, which provides roughly \$100 million in grant awards to approximately 1130 campuses annually. The campuses chosen to participate in the TEEG were identified as being in the top half of the state's most economically disadvantaged campuses and demonstrated evidence of high levels of student achievement and student improvement.

The other program created by House Bill One provides districts the opportunity to establish district-wide teacher incentive programs. The rules and requirements of this program are still being created. The grant will kick off in the fall of 2007 with a mandatory planning year during which technical assistance will be provided. Participating districts will receive roughly \$147.5 million annually in grant funds beginning in September of 2008.

One benefit of the Texas model is the programs' flexibility, which allows campuses and districts to customize their plans based on their needs. In an effort to involve teachers in the design of Texas' compensation reform policies, the TEEG and GEEG require that teachers are actively engaged throughout the development of local grant proposals. For example, the program requires that district plans demonstrate teacher involvement through items such as meeting minutes, sign-in sheets, or a campus vote among all teachers, approved by a majority. In addition, each application must include no fewer than three personal letters from teachers outlining their involvement in the development of the process and voicing their support for the program. The district-level program also prioritizes teacher involvement by requiring teacher approval as a condition for campus participation.

One challenge of the model is the state and local lack of access to data that link individual teachers to student performance. The state is currently seeking out technical assistance to address this issue. In the meantime, the program allows grantees to measure teacher impact on student performance at the team or group level.

Florida

In 2006, former Governor Jeb Bush launched the Special Teachers are Rewarded program (STAR) to encourage school district compensation policies to include performance-pay for teachers. Shortly after STAR's enactment, a variety of stakeholders—including classroom teachers—lost confidence in the program due largely to the program's mandatory nature.

To generate support for the use of alternative compensation policies to propel student achievement, Governor Charlie Crist collaborated with the Florida legislature to overhaul STAR and establish the Merit Award Program, or MAP.

While the previous STAR plan limited bonuses to the 25 percent of teachers whose students performed at a set level on state assessments, MAP now allows teachers to be evaluated on both student test score performance and the broader evaluations given by their school principal.

As a result of Governor Crist's effort, the state's largest teacher's union—the Florida Education Association—has endorsed the new program.

Educators who had complained that STAR was implemented too quickly and that districts had insufficient time to develop evaluation measures now openly support MAP and its commitment to allow school districts and their unions to submit locally developed plans for measuring teacher performance.

In addition, MAP also responded to the concerns of critics who felt STAR placed too much emphasis on standardized tests by allowing students to take state, national or locally developed tests besides the Florida Comprehensive Assessment Test (FCAT), allowing those test results to account for “no more than 60 percent” of an instructor's evaluation assessment.

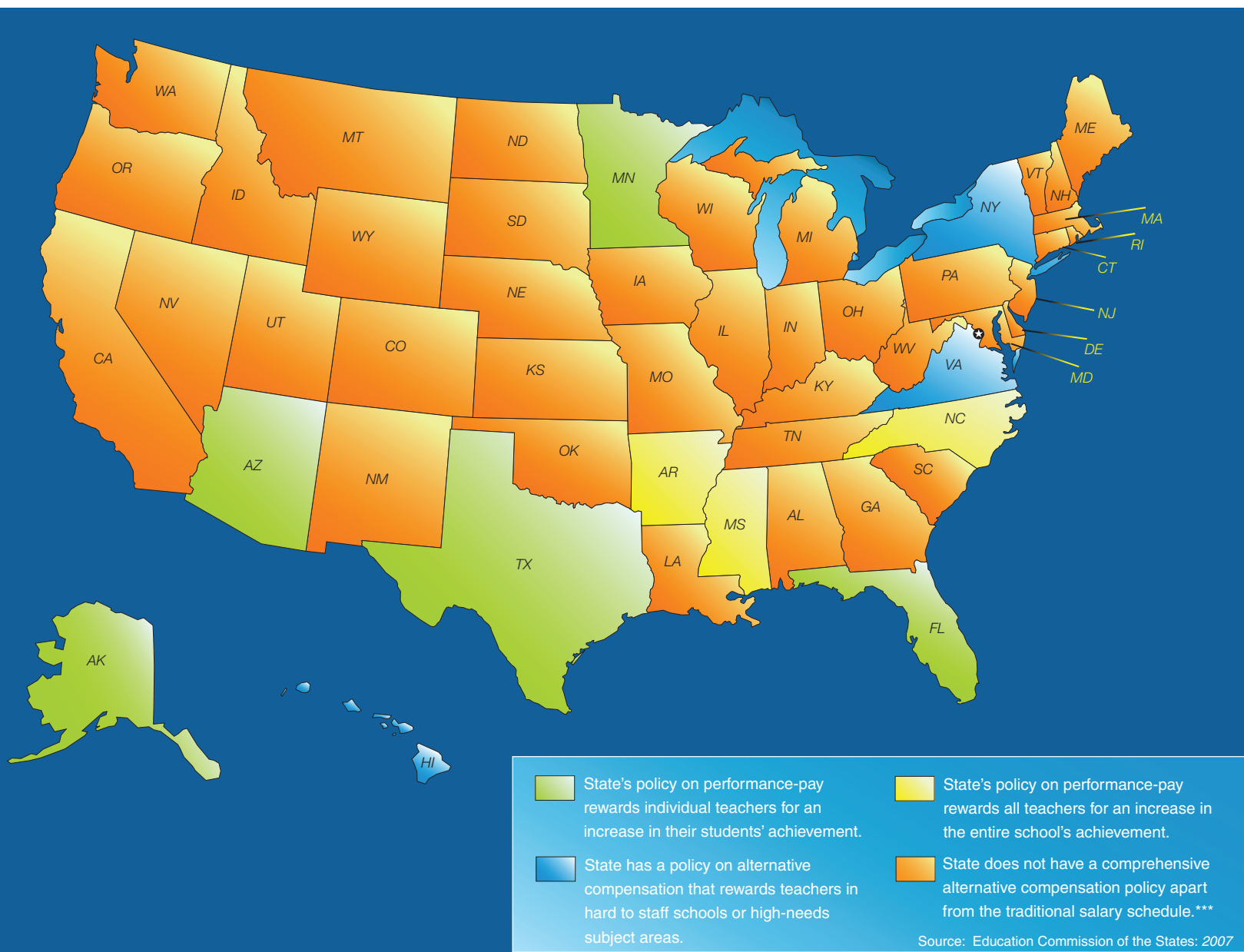
Now under MAP, the remaining 40 percent of a teacher's evaluation is based on professional practices, like a teacher's skill in maintaining discipline and engaging students, or how well a principal recruits and retains teachers. Additionally, Florida's MAP plan represents a bonus of 5 to 10 percent of the district's average teacher pay—ensuring that veteran teachers do not have an advantage over new teachers.

Florida's effort to be more inclusive means that bonuses are open to all “top instructional personnel,” including teaching teams and school-based administrators at both regular public and charter schools. Finally, districts can reward as many instructors and administrators as they want, restricted only by the share of the state bonus money needed to give all teachers at least a 5 percent reward.

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A Bird's-Eye View: Compensation Models Utilized in the 50 States

Presently, states and districts experiment with an array of compensation models intended to improve teacher quality and drive student performance. The map below provides an overview on where these compensation models occur and differentiates between those alternative compensation policies that reward teachers for their individual student improvement and those states with policies that reward all school personnel for a net increase in the entire schools' achievement.



*** State-level programs include states with legislation in place to fund district-level programs. Some state programs are mandatory for all districts within the state, while others have a voluntary application process through which districts apply to participate in the program.

Bringing Teachers to the Table: Award-winning Teachers Rally their Colleagues to Support Alternative Compensation to Improve Student Achievement

Over the past year, 18 of the nation's most distinguished teachers took the lead in developing a ground-breaking report that recommends an overhaul of the single-salary schedule and offers teacher insight on how to construct well-designed compensation plans that will work at the classroom level. The TeacherSolutions team, supported by the North Carolina-based Center for Teaching Quality, released *Performance-Pay for Teachers: Designing a System that Students Deserve* in April 2007. Earlier this summer, *Honoring Progress* caught up with this group of accomplished teachers and began a dialogue to learn more about how policymakers can pursue reforms that gain teacher buy-in and simultaneously improve student achievement.

HP: Why establish new models of compensation at the state policy level?



Sarah Applegate

TS: A well-designed teacher pay system is a powerful tool not only for recruitment and retention of top quality personnel, but also as a guide for replicating quality teaching across schools and districts. State and school system leaders must consider local needs and contexts, however, before adopting new models. As our report states, different schools and districts need the flexibility to distribute incentive funds in ways that advance their specific student learning goals. In every school system, teachers' voices, including those of their union leaders, should be central in creating a performance compensation plan that bolsters teaching quality and student achievement.

HP: Are policymakers thinking too narrowly about the design of new compensation systems? If so, how?



Susan Bischoff

TS: In short, yes. This narrow thinking may be the single greatest barrier to the successful development of new compensation systems. We've learned through numerous conversations around this issue that many teachers at the classroom level are not necessarily opposed to balanced and thoughtful alternative compensation models. However, they strongly resist the canned models that have been rolled out time and again over the past 30 years—models that for the most part rely on standardized test scores as the exclusive metric measuring teacher performance. While student achievement should remain the cornerstone of any effective performance-pay plan, policymakers need to recognize that a single test score is not a sufficient means of measuring student progress.



Anthony Cody



Bill Ferriter

Instead, policymakers should think more broadly and support compensation policies that offer a wider range of performance indicators. For example, many more teachers will support plans that measure student achievement using a variety of classroom data gathered on a regular basis throughout the year. More teachers will also support plans that take into account where students started and how much progress they made during a year, rather than expecting all students to meet exactly the same benchmark at exactly the same moment in time. Quality plans will reward teachers who can demonstrate that they have become more proficient through documented



Nancy Flanagan



Theresa Killingsworth



Becky Malone



Valdine McLean



Renee Moore

professional development. And finally, compensation plans can also be part of an effective policy to recruit qualified teachers to work with challenging student populations, provided such a policy also recognizes the special attributes required of teachers who work with high-needs students and the working conditions quality teachers will require to be successful.

HP: What are the conditions under which teachers will support changes to the traditional compensation system?

TS: The traditional compensation system, which evolved in the 1940s and 1950s, helped improve dismal salaries and alleviate discriminatory payment practices. Any new compensation system must demonstrate that these safeguards remain in place. We believe it is also critically important that states and school systems with union contracts increase the base pay of all teachers to a level commensurate with teachers' professional preparation. Then, every teacher should have the same opportunity to reach optimum levels of compensation for meeting standards of performance. Teachers will also need to be convinced that evaluation processes will be transparent, objective and carried out only by individuals qualified to accurately judge teacher performance. Smart leaders who involve teachers themselves in all phases of the new compensation system's design and implementation will greatly increase teacher support for any final plan.



Ford Morishita

HP: With so much at stake, what tools must policymakers provide to ensure accurate and effective evaluations of teacher performance?

TS: Every educator at every level must be evaluated accurately, not only for the awarding of compensation, but also to guarantee a quality education for all students. While standardized test scores and principal observations are two familiar examples of assessing teacher performance, a rigorous and comprehensive approach to evaluation would require the work of each teacher to be measured against clear, pre-determined, mutually acceptable standards using a combination of peer and supervisor review, as well as evidence of effectiveness compiled by the educator. Such evaluations are already being done on a small scale and can be further developed with teachers at the table. Again, evaluation tools crafted solely by policymakers without the input of expert teachers would most likely be ineffectual.



Jennifer Morrison



Carole Moyer

HP: How can the various components of alternative compensation systems (differentiated pay by subject area, performance-pay, and more pay for hard-to-staff teachers) function collectively to improve teacher quality?

TS: Teaching needs to be professionalized and performance-pay is an important way to do so. In a well-developed compensation system, there will be tangible rewards for the most accomplished teachers to spread their expertise, provide leadership, and help their students succeed. In the best case scenario, comprehensive compensation reform will allow states, districts, and



Lori Nazareno



Marsha Ratzel



Betsy Rogers



Lisa Suarez-Caraballo



Amy Treadwell

schools to retain their most capable educators. It will also provide teachers with true career pathways within the classroom, enabling public schools to recruit and retain the best and brightest college graduates. Nothing would do more to close the achievement gap than to build a critical mass of the highest quality teachers to serve our highest needs schools.

We understand that to implement our comprehensive framework, policymakers will need to support the development of more sophisticated, authentic measures of high-quality teacher performance. Good teachers are eager to be evaluated by good assessments and rewarded for superior accomplishments. Bring us to the table and we will help shape effective policies that produce a performance-pay system students deserve.



Maria Uribe

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Federal Update: *Fiscal Year 2008 Education Funding*

In May, the Governors collectively sent a letter to Congress outlining their funding priorities for fiscal year 2008, including the Individuals with Disabilities Education Act (IDEA), No Child Left Behind (NCLB), Pell Grants, Carl D. Perkins Career and Technical Education Improvement Act, Title V State Grants for Innovative Programs, Statewide Data Systems, and state grant programs that train, attract, and retain highly-qualified teachers. The nation's governors requested funding for these important federal-state programs at sufficient levels to "ensure that states can successfully implement a seamless and effective education system from birth to lifelong learning for all students."

A copy of the letter is available online at:

<http://www.nga.org/portal/site/nga/menuitem.cb6e7818b34088d18a278110501010a0/?vgnextoid=3e8e3c3ec99b2110VgnVCM1000001a01010aRCRD>.

For more information, contact Joan Wodiska with NGA at jwodiska@nga.org or 202-624-5361.

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Resource Box

Best practice resources offer states interested in reshaping compensation policies the latest research on trends in compensation practices across the states. This section highlights resources devoted to changing the discourse by moving toward pay for contribution, developing policies that win broad support from teachers, and summarizes the latest research on current compensation policies.

Turning from Talk to Action: Improving Teaching through Pay for Contribution

NGA will soon release this policy brief commissioned by the Center for Best Practices and written by Bryan Hassel and Emily Ayscue Hassel. The brief encourages policymakers to begin thinking about teacher compensation through the lens of the contribution individual teachers make to their schools' and their students' achievement. The brief provides a new definition surrounding compensation reform that transforms debates regarding merit pay or pay-for-performance into an idea that educators ought to be compensated for the direct and observable contributions they make in the classroom. While the authors do not shy away from the belief that differences in compensation will necessarily require a departure from a rigid salary schedule, they encourage policymakers to think broadly about compensation strategies to include hard-to-staff school provisions, skill shortage pay, advanced role pay, skill and knowledge pay, and limited advanced degree pay in a comprehensive system designed to reward contribution.

Teacher Performance-pay: Synthesis of Plans, Research, and Guidelines for Practice

This report, written by researchers at the University of Wisconsin-Madison, a member institution of the Consortium for Policy Research in Education (CPRE), focuses on the nature and effectiveness of alternative compensation strategies. The report provides generic descriptions of three popular types of pay plans and summarizes the best research to date on the effectiveness of those plans. The authors provide guidelines for effective practices on performance-pay to better inform states interested in embarking on compensation reform about the challenges and opportunities they can expect to face throughout the process. The report concludes with a look at recent developments in performance-pay plans providing alternatives to the traditional salary schedule.

Performance-pay for Teachers: Designing a System that Students Deserve

This report from the Center on Teacher Quality recommends an overhaul of the current single-salary compensation system and additionally explains how to construct well-designed performance-pay plans that teachers will support. In *Performance-pay for Teachers*, the educators assert that the old uniform salary schedule for teachers has “outlived its usefulness,” and that “a carefully crafted performance-pay system has huge potential to transform the teaching profession in ways that can help all students learn.” Authored by a blue-ribbon panel of 18 teachers—including past national, state and district teacher of the year recipients—the report bills itself as the first set of teacher-written recommendations that support performance-pay. While the authors fully support overhauling the current system in favor of performance-pay, they caution that teachers must be welcomed as full partners throughout the process. To design a compensation system that improves teaching quality the panel recommends that policymakers:

- Get the base-pay system right;
- Supplement base-pay with a performance-pay system open to all teachers, not just those in tested subjects;
- Reward teachers who help their student make significant academic gains on more than a single standardized test;
- Offer incentives to teachers who are willing to teach in high-needs, low-performing schools; and
- Include accomplished teachers in any efforts to overhaul compensation plans.

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Foundation Corner: The Milken Family Foundation's "Teacher Advancement Program"

In response to an overwhelming body of research demonstrating that quality teaching is the primary contributor to student success, the Milken Family Foundation launched its signature Teacher Advancement Program (TAP) in 2000.

Through TAP, the foundation funds programs that encourage schools to employ market-sensitive pay and offer excellent teachers career advancement options that keep them in the classroom and out of administration. In most TAP schools, the basic salary schedule remains in place. Salary augmentations are given to master and mentor teachers for their increased levels of responsibility and work. In addition, all TAP teachers are eligible for performance bonuses based upon their professional practices as assessed by several certified organization evaluators as well as by their students' academic achievements and the school's overall learning progress. Unlike an across-the-board pay raise, TAP rewards educators for measurable gains in their teaching skills.

Today, TAP has been instituted in more than 130 U.S. schools where it provides performance-based compensation bonuses to over 4,000 teachers, impacting nearly 60,000 students.



The Teaching Commission Teams-up with Learning Point Associates to Find Out Where Teachers Stand on Compensation

Established and led by former IBM Chairman Louis V. Gerstner, Jr., The Teaching Commission seeks to raise student performance by transforming the way in which America's public school teachers are recruited and retained. The Commission's mission is designed to bring a sense of urgency to recruiting and retaining the best and brightest in the teaching profession; and to generate the political will necessary to put a highly qualified teacher in every child's classroom.

In an effort to promote those ends, the commission has teamed up with researchers at Learning Point Associates to fund a report that seeks to better understand the opinions and views held by classroom teachers as it relates to compensation policies. In *Teachers off the Record: Findings from Recent Public Opinion Research*, researchers discovered that despite popular assumption, the “single-salary schedule,” is not the third-rail of education reform. In fact, the report found that 72 percent of teachers respond favorably to the idea of implementing compensation systems that provide higher salaries for teachers willing to serve in high-poverty schools. And fifty-two percent of all teachers surveyed expressed interest in paying higher salaries for hard-to-staff subjects such as math and science. Perhaps unsurprisingly, younger teachers were much more likely to support these and other deviations from the traditional salary schedule than were older more senior teachers. All educators, the survey found, valued increased pay, but not as much they valued “focused, supportive and committed school leaders,” who put measurable performance goals in place.

The Joyce Foundation Sponsors Research on Compensation Reform

Teacher Pay Reform: The Political Implications of Recent Research

The primary goal of the Joyce Foundation’s education related investments is to bring attention to the importance of leveraging human capital reform including changes to the traditional salary schedule to promote increased teacher quality. This report authored by Professor Dan Goldhaber of the University of Washington Evans Public Policy School and financed by the foundation offers four main strategies for policymakers to think about when they consider reforming compensation systems to improve teacher quality. Among those factors identified by Goldhaber:

- Teacher pay reform is more likely to succeed at the state level because states, unlike most districts, have the capacity to develop data systems that can credibly assess areas of shortage, track teacher performance, and administer differentiated pay systems.
- States must make basic investments in their education data infrastructures and assessments so policymakers can better assess teacher effectiveness in improving student learning.
- More basic research is needed on the data and methodological requirements for using student achievement tests as a gauge of teacher effectiveness.
- States and localities need to engage in a number of pay experiments so that policymakers can identify the most effective pay reform models applicable to their own state’s needs.

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What's Next? How States Can Reform Compensation Policies to Raise Teacher Quality and Student Achievement

Teacher pay is not enviable, and the working conditions may not always be welcoming. Thus, it will likely take a combination of state and district incentives to recruit and retain high quality teachers. New approaches and incentives will be required to keep teachers in the profession over the long term. To improve the recruitment of high quality educators, states will want to pursue the following core policy reforms:

- 1) Compensation must Account for Demand:** Governors and state leaders may want to consider targeting recruitment and retention incentives to teachers in greatest demand.
- 2) Provide a Variety of Compensation Rewards:** States might consider offering scholarships, loan forgiveness and extra compensation to encourage teachers to fill positions in subjects or high schools with critical shortages.
- 3) Create Leadership Roles for Teachers:** States can promote policies that differentiate and financially reward master and mentor teacher positions thereby encouraging the best teachers to remain in the classroom where they are most effective.
- 4) Compensate Beyond the Single-salary Schedule:** States can begin to experiment with basing pay on factors such as a willingness to teach in high-need schools or high-demand subjects, rather than solely on years of experience and level of education.

These recommendations were adapted from the existing NGA Center publications, *Developing State Policy to Ensure a Highly Qualified Teacher in Every Classroom*, as well as the NGA and Achieve Inc., *An Action Agenda for Improving America's High Schools*.



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If you have any questions, please contact Michael Hartney at mhartney@nga.org

National Governors Association

Hall of the States

444 N. Capitol Street, Suite 267

Washington, DC 20001-1512

202.624.5300

